

LAFCO OF MODOC COUNTY

EXECUTIVE OFFICER'S REPORT

June 10, 2008

TO: Local Agency Formation Commission

FROM: John Benoit, Executive Officer

RE: Final Budget for FY 2008-2009

Since the passage of AB-2838 in 2000, LAFCO has become independent from the County. Costs for the operation of LAFCO were entirely paid by the County including costs for staff time, legal services, miscellaneous office expenses, and insurance.

I provided a "recommended" budget at the April 2008 meeting, which was adopted. A Budget Justification Report was prepared for that Budget Hearing. Please refer the Budget Justification Report for information on each of the items below.

ANTICIPATED REVENUE AND CARRY OVER FROM FY 2007-2008:

Anticipated revenue is proposed to be \$4,000.00 and a 07/08 carryover is proposed to be \$40,000.

SUMMARY OF EXPENSES:

Insurance The Commission recommended in its proposed budget \$1,000.00 for that item to pay the County Auditor for LAFCO's share of County Insurance.

Office Supplies The Commission recommended in its proposed budget \$400.00. Depending upon LAFCO activity this could be augmented by an increased appropriation from unanticipated revenue.

Copies This amount is proposed to be \$1,500.00 to be used for general copying of reports and packets.

Communications This is proposed to be \$1,000.00 for general communications for phone, internet and fax.

Postage This is proposed to be \$600.00 for public notices and mailings.

Memberships The Commission recommended in its proposed budget \$725.00 for Calafco dues.

Legal Services The Commission recommended in its proposed budget \$3,200.00 for this item. LAFCO Counsel attends LAFCO meetings as requested by the Commission. It is anticipated if budget augmentations are needed in this category, additional appropriation would come from unanticipated revenue.

Staff Services: Executive Officer and Clerk: The Commission recommended in its proposed budget \$36,000 for this item. This translates into an average of \$3,000.00 per month for LAFCO administration/clerk services. Notwithstanding a very complex reorganization or incorporation project for Modoc LAFCO, this amount should cover LAFCO administration. Complex projects should be fee supported thereby increasing revenue to LAFCO. It is anticipated if budget augmentations are needed in this category, additional appropriation would come from unanticipated revenue.

Legal Notices/Publications The Commission recommended in its proposed budget \$600.00 for legal notices. Given the cost of legal advertising and the projected workload this amount remains reasonable.

Transportation/Mileage/Training/Conferences The Commission sent one attendee to the Calafco Conference last year and sends staff to Staff Workshops therefore, \$2,000.00 is recommended the budget for this item. This includes a portion of the costs of the Calafco Annual Conference and Annual Staff Workshop for the Executive Officer.

Municipal Service Reviews/Sphere of Influence Updates The Commission recommended in its proposed budget \$30,000.00 for this effort, which would cover additional costs of preparing Reviews/Sphere Updates as required by the LAFCO Act. This amount may not adequate to prepare all the reviews. Funds could be augmented from the Executive Officer Services category for this item, depending upon the work load. A significant cost of Sphere of Influence updates is mapping. It is expected MSR's and SOI's may take more than one year to complete.

Recommendation:

- a. Review, discuss, amend, and consider the 2008-2009 Final Budget. A budget justification report for FY 2008-2009 was prepared by staff for the adopted proposed budget in April 2008.
- b. Adopt LAFCO Resolution 2008-04 approving a Final Budget.